

## Message Text

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64

ORIGIN OPIC-06

INFO OCT-01 NEA-09 ISO-00 EB-07 AID-05 /028 R

DRAFTED BY OPIC/T: HKATZ

APPROVED BY EB/IFD/OIA:RJSMITH

OPIC/T:PMULLER

EB/IFD/OIA:DHSTEBBING

NEA/PAB:MGJONES (INFO)

----- 128138

R 012358Z MAY 75

FM SECSTATE WASHDC

TO AMEMBASSY ISLAMABAD

INFO AMCONSUL LAHORE

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E.O. 11652: N/A

TAGS: EINV

SUBJECT: DAWOOD HERCULES COOLEY LOAN 391 E 130

REF: A. STATE 93464

B. ISLAMABAD 3666

AS PER REQUEST IN REFTEL B WE ARE REPEATING LAHORE 5721

JUNE 26, 1968:

1. UNDER PROVISIONS OF STAMP ACT, 1899 AND REGISTRATION ACT, 1908, ALL LEGAL MORTGAGES OF THE TYPE ENVISAGED SUBJECT LOAN MUST BE REGISTERED TO BECOME EFFECTIVE SECURITY INSTRUMENTS. REGISTRATION FEE IS RS. 5/-PER 1000. IF MORTGAGE IS FOR FULL LOAN AMOUNT OF 67,600,000, FEE WOULD BE RS. 338,000. STAMP DUTY WHICH IS ADDITIONAL IS RS. 30 PER 1000V FOR MORTGAGE IN WHICH MORTGAGEE IS GIVEN RIGHT OF POSSESSION IN EVENT OF DEFAULT, AND RS. 15 PER 1000 FOR MORTGAGE IN WHICH THERE IS NO RIGHT OF POSSESSION BUT ONLY FOR RECOVERY FROM MORTGAGED PROPERTY PROCEEDS. IF AS WE ASSUME MORTGAGE LIMITED OFFICIAL USE

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DEED GIVES RIGHT OF POSSESSION, AND MORTGAGE COVERS

LOAN, STAMP DUTY WOULD BE SLIGHTLY OVER RS. 2 MILLION.

2. BELIEVE, ABSENT EXEMPTION, FEE AND DUTY PAYABLE IF  
COOLEY LOAN MORTGAGE REGISTERED SEPARATELY, OR IF

REGISTERED JOINTLY WITH IBRD LOAN, STAMP ACT, 1899  
PROVIDES IN RELEVANT PART:

QUOTE

WHERE, IN THE CASE OF ANY SALE, MORTGAGE, OR SETTLEMENT  
SEVERAL INSTRUMENTS ARE EMPLOYED FOR COMPLETING THE  
TRANSACTION, THE PRINCIPAL INSTRUMENT ONLY SHALL BE  
CHARGEABLE WITH THE DUTY PRESCRIBED IN SCHEDULE 1 ...  
END OF QUOTE

ALTHOUGH POSSIBLE ARGUMENT COULD BE DEVELOPED THAT  
PROVISION PROVIDE EXCEPTION IN CASE JOINT REGISTRATION,  
BETTER VIEW WOULD BE THAT PROVISION DOES NOT PROVIDE  
WAY OUT. PROVISION APPEARS ADDRESSED TO SEVERAL  
OVERLAPPING INSTRUMENTS, AND NOT TO RELATED AGREEMENTS  
EACH SECURING A SEPARATE LOAN.

3. CHAPTER II A 9 OF STAMP ACT PROVIDES THAT GOP MAY  
REDUCE OR REMIT STAMP DUTIES. AUTHORITY TO PROVIDE  
EXEMPTION NOW RESTS REVENUE BOARD, GOVERNMENT WEST  
PAKISTAN, TO WHOM FORMAL APPLICATION BY COMPANY FOR  
EXEMPTION MUST BE MADE. BOARD POWER DISCRETIONARY  
WITHOUT RIGHT OF APPEAL ALTHOUGH POSSIBLE OBTAIN HIGH  
COURT REVIEW THROUGH WRIT JURISDICTION. EXEMPTIONS  
GIVEN ON AD HOC BASIS, WITH NO DISCERNIBLE CRITERIA.  
V SIZE OF PROJECT, TYPE OF LENDING AGENCY AND VAGUE  
CONCEPT OF RELATIVE SIGNIFICANCE OF PROJECT TO  
DEVELOPMENT EFFORT ARE FACTORS ACCORDED WEIGHT IN PAST.  
CONSIDER IT PROBABLE THAT SOME EXEMPTION OBTAINABLE.  
ARE PURSUING DISCUSSIONS WITH REVENUE BOARD INFORMALLY  
WITHOUT REFERENCE FERTILIZER CASES AND WILL ADVISE  
FURTHER.

DECONTROLLED APRIL 25, 1976 KISSINGER  
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NNN



## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** COOLEY LOANS, LOAN AGREEMENTS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 01 MAY 1975  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** ElyME  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
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**Film Number:** D750154-0322  
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**TAGS:** EINV  
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